

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Request of Boston Gas Company d/b/a)	
KeySpan Energy Delivery New England)	D.T.E. 02-37
To Extend Its PBR Plan)	
)	
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AFFIDAVIT OF DENNIS W. CARROLL

I, Dennis W. Carroll, being duly sworn under the pains and penalties of perjury, do hereby depose and say as follows:

1. I am currently Vice President and Controller of Boston Gas Company d/b/a KeySpan Energy Delivery New England ("Company"). I offer this affidavit based on my personal knowledge.
2. I am responsible for preparing the Company's Annual Return filed with the Department of Telecommunications and Energy ("DTE") pursuant to G.L. c. 164, § 83.
3. For the year ended December 31, 2001, the Company operated at a net loss of \$10,716,286.
4. The net loss of \$10,716,286 does not include the amortization of acquisition premium of \$19,439,123.
5. The net loss of \$10,716,286 is derived from taking the net loss of \$30,155,409 on page 10 line 40 of the Company's 2001 Annual Return less the \$19,439,123 amortization of acquisition premium.
6. The \$19,439,123 amortization amount is derived from taking the \$22,665,437 amortization noted on page 13 of the Company's 2001 DTE Annual Return less the \$3,226,314

amortization of acquisition premium noted on page 13 of the Company's 2000 DTE Annual Return.

7. The calculation of the \$10,716,286 is as follows:

Net Loss Per DTE Return (page 10)	\$(30,155,409)
Add Back: Amortization of Acquisition Premium(1)	\$ <u>19,439,123</u>
Net loss excluding amortization of acquisition premium	<u>\$(10,716,286)</u>

(1) Accumulated Amortization of Acquisition Premium is noted on page 13 of the DTE Return

Accumulated Amortization per <u>2001</u> DTE Return (page 13)	\$22,665,437
Less Accumulated Amortization per <u>2000</u> DTE Return (page 13)	\$ <u>3,226,314</u>
2001 Amortization of Acquisition Premium	<u>\$19,439,123</u>

8. The amortization of the acquisition premium does not require an adjustment for taxes because the amortization figure is not tax deductible.

9. I have calculated a Year-End Common Equity for the Company of \$391,933,050. I have based this calculation on two figures in the Company's 2001 Annual Return at page 9; I have taken the \$15,567,500 figure on line 4, column (c) which is the End of Year Balance of Preferred Stock Issued and subtracted this from the \$407,500,550 figure on line 14, column (c) which is the End of Year Balance of Total Proprietary Capital.

10. I have taken the Net Loss of \$30,155,409 and divided that by the Year-End Common Equity of \$391,933,050 to determine a Return on Equity of -7.69%.

11. Using the same format for the annual earnings and return on equity calculation submitted in each of the Company's annual PBR compliance filings, I have created Attachment B-1 which represents a 2001 Earnings Sharing Calculation.

12. I also have taken the net loss of \$10,716,286 – which excludes the amortization of the acquisition premium – and divided that by the Year-End Common Equity of \$391,933,050 to determine a Return on Equity of -2.73%.

13. Again using the same format for the annual earnings and return on equity calculation submitted in each of the Company's annual PBR compliance filings, I have created Attachment B-2 which represents a 2001 Earnings Sharing Calculation after removing the effect of the acquisition premium.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS 2nd DAY OF JULY 2002.

Dennis W. Carroll